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## United States Department of Agriculture.

### BUREAU OF AGRICULTURAL ECONOMICS.

#### SERVICE AND REGULATORY ANNOUNCEMENTS NO. 82.

#### THE UNITED STATES COTTON STANDARDS ACT AND THE UNIVERSAL STANDARDS.

##### ESSENTIAL PROVISIONS OF THE UNITED STATES COTTON STANDARDS ACT.

The first effort to establish legally the use of the official cotton standards of the United States in interstate and foreign commerce was in August, 1914, when a bill known as the cotton standards act was introduced in the House of Representatives. In 1916, the former bill having failed of passage, a similar bill was introduced which succeeded in passing the House, but did not come up for action in the Senate before the adjournment of that Congress.

On June 1, 1921, the United States cotton standards act was introduced in the House of Representatives. The text of this bill differed materially from that of the bills of 1914 and 1916, and on the whole was more adaptable to conditions in the cotton business than its two predecessors. This bill was subsequently twice reintroduced with minor changes. It was passed by the House of Representatives on February 14, 1923, by the Senate on March 3, and on March 4 it was approved by the President.

The provisions of the act are, for the most part, permissive. It does, however, contain one important provision of a mandatory nature. Section 2 makes it unlawful:

"(a) in or in connection with any transaction or shipment in commerce made after this Act shall become effective, or (b) in any publication of a price or quotation determined in or in connection with any transaction or shipment in commerce after this Act shall become effective, or (c) in any classification for the purposes of or in connection with a transaction or shipment in commerce after this Act shall become effective, for any person to indicate for any cotton a grade or other class which is of or within the official cotton standards of the United States then in effect under this Act by a name, description, or designation, or any system of names, description, or designation not used in said standards: *Provided*, That nothing herein shall prevent a transaction otherwise lawful by actual sample or on the basis of a private type which is used in good faith and not in evasion of or substitution for said standards."

Official cotton standards were first promulgated on December 15, 1914, by the Secretary of Agriculture, under authority of the United States cotton futures act. By an order of the Secretary on July 26, 1922, the existing standards were revised, effective August 1, 1923. The United States cotton standards act, which also became operative on August 1, 1923, made the standards established under the cotton futures act the official cotton standards for the purposes of the United States cotton standards act as well. The act applies to cotton in somewhat the same way as the grain standards act, passed in 1916,

applies to certain of the grains. Experience with both grains and cotton has demonstrated that, to be effective, a standard for a staple product must be supported by the force of law.

Section 4 gives to the owner or custodian of any cotton the privilege of submitting the cotton or carefully drawn samples to the Department of Agriculture for determination of the true classification and authorizes and directs the Secretary of Agriculture through his properly authorized agents to make such determinations when requested. The final certificate of the Department of Agriculture, showing the classification of cotton so submitted, is declared to be *prima facie* evidence of the true classification of such cotton in the United States courts. This section is made effective by regulations of the Secretary of Agriculture which the act authorizes him to make.

Section 3 of the act authorizes the Secretary to examine and license cotton classifiers who may issue certificates of the grade, staple or other class of the cotton which they examine. A great deal of confusion seems to have arisen in the public mind as to the function of licensed classifiers. In explanation it should be said that the regulations of the Secretary, as promulgated, do not contemplate making licensed classifiers an integral part of the organization for the enforcement and administration of the act. Whether such a course will be dictated by subsequent developments can not be foreseen at this time.

For the present, however, the license issued to a classifier signifies only that the Department of Agriculture has carefully examined into the ability and integrity of the holder and has dignified him by a public expression of its confidence. While the Department of Agriculture intends to license only classifiers of the highest standing and to supervise their work carefully, it should be borne in mind that licensed cotton classifiers' certificates are certificates of the individuals and not certificates of the Department of Agriculture. Though doubtless an advantage, it is not, in any sense, compulsory for one engaged in the commercial classing of cotton to secure a license from the Department of Agriculture to pursue his occupation.

The provisions of the United States cotton standards act of 1923 should be distinguished from those of the United States grain standards act of 1916, the similarity to which may be responsible for some confusion. The grain standards act provides for the licensing of inspectors and requires that all grain sold or offered or consigned for sale by grade shall be graded by a licensed inspector if shipped in interstate or foreign commerce from points where this service is available. Exportations of American grain are made on certificates issued by such licensed inspectors and all disputes as to quality which arise in interstate and international grain transactions take the form of appeals from such licensed inspectors' certificates to the Secretary of Agriculture. Moreover, agents of the Secretary of Agriculture grade no grain except on appeal from the certificate of a licensed inspector.

In the case of the United States cotton standards act, cotton may be shipped by grade without having it inspected and graded by a licensed classifier. The only requirement is that, if indicated, the



grade shall be of the official cotton standards of the United States. Upon the agreement of the two parties a dispute may be referred to officers of the Department of Agriculture without a prior classification of the cotton by a licensed classifier.

The regulations of the Secretary of Agriculture, as published in Service and Regulatory Announcements No. 80, of the Bureau of Agricultural Economics, contemplate three distinct services to be rendered by the Department of Agriculture: (1) An informal classification of samples; (2) the classification of agreed samples submitted by the parties involved in a dispute, and (3) the classification of samples, the authenticity of which is established by Government supervision of the storage and sampling.

The purpose of the informal classification of samples is to assist the owner or custodian to determine the commercial value of the cotton. Upon the classification of such samples by its board of cotton examiners, the Department of Agriculture will issue a Form A sample classification memorandum, stating simply that the classification of the samples as and when submitted is as shown therein. Because the department does not undertake to determine the integrity of the samples, Form A memoranda can not have the weight of certificates.

In the second case it is provided that when two parties are in disagreement as to the true classification of any cotton involved in a transaction between them, they may agree upon a set of samples to be submitted to the Department of Agriculture either for a determination of the true classification or for a comparison with types or other actual samples specified in the contract. Upon the classification of such samples by its board of cotton examiners, the department will issue a Form B agreed sample certificate which, when once reviewed, shall be deemed to be a final certificate within the meaning of the act, but only as to the parties concerned. This service provides the means for the arbitration and settlement of disputes by a strict classification according to the standards, or by comparison with a private type or other actual samples.

It is proposed in the third case to supervise the storage and sampling of cotton and upon the classification of such supervised samples by its board of cotton examiners to issue a Form C supervised bale certificate. It is required that cotton submitted for this purpose shall first be submitted through an established and recognized cotton exchange working in cooperation with the Department of Agriculture. Form C certificates when reviewed will be deemed to be final within the meaning of the act. The regulations of the Secretary provide means by which cotton thus "certificated" may be transferred to a future exchange market and there delivered on future contracts made in accordance with the United States cotton futures act without reclassification. It is thought that the advantages of this service to established interior markets will be considered.

It is provided by the regulations that the original classification of cotton, for the time being, shall be made either at New York or at New Orleans by the boards of cotton examiners already established in those markets under the United States cotton futures act. Additional boards in the Cotton Belt may be subsequently set up if the demand for this service requires their establishment. Reviews or appeals under the United States cotton standards act will be held

in Washington, D. C., where specialists engaged primarily in the preparation of the standards are already available. This arrangement differs somewhat from that established under the United States cotton futures act by which reviews may be made by the board performing the original classification. Provision is made, however, for the exchange of Form C certificates issued under the United States cotton standards act for cotton class certificates issued under the United States cotton futures act and in such cases reviews may be had as provided in the regulations under the latter act without reference to Washington.

Lest there be any conflict between certificates issued under (2) and (3) it is provided that in this country Form B certificates shall not be final when in conflict with Form C certificates, but that as between Form C certificates issued in this country and Form B certificates issued by a duly constituted board in a foreign country, the Form B certificate is final.

Licenses are issued only to classifiers who have had a number of years of responsible and successful experience. Careful examinations are made of the applicants' records and thorough tests of their ability in actual classing are given by members of the appeal board of examiners. At the same time, it is recognized that many classers, because of the nature of their commercial experience or of the locality to which they are accustomed, attain a specialized kind of proficiency. On this account, licenses are issued according to the applicants' qualifications and may be:

1. To grade cotton according to the official cotton standards of the United States for grade and color of upland cotton.
2. To grade cotton according to official standards of the United States for sea-island cotton.
3. To grade cotton according to official standards of the United States for American Egyptian cotton.
4. To determine the staple length of cotton according to official standards of the United States for length of staple.

Qualifications in respect to which the applicant is licensed are shown on the face of the license and on the receipt.

In case the classification shown in two licensed classifiers' certificates, covering the same bale or lot of cotton, is not identical, the holders of the certificates should submit samples of the disputed bales to a board of cotton examiners with a request for the issuance of a Form B certificate.

**THE ADJUSTMENT OF THE COTTON EXPORT TRADE TO THE REQUIREMENTS OF THE UNITED STATES COTTON STANDARDS ACT—THE ADOPTION OF UNIVERSAL STANDARDS.**

That the passage of the United States cotton standards act presented questions to the American export trade was demonstrated soon thereafter. On the one hand, the law required discontinuance of the use of all foreign standards of classification in conflict with the official standards of the United States. On the other, the cotton exchanges of Europe, especially those of Liverpool, Havre, and Bremen, whose committees had always arbitrated disputes between American shippers and European receivers, did not recognize the official standards. Anxiety was felt by many as to the practical operation of the act and the ability of the trade to sell for export and



to make settlements so long as this situation obtained. Particular concern was expressed for the welfare of shippers of small means.

The department lent its efforts promptly to the solution of the problems. Conferences with delegates from representative producers, shippers and spinners' organizations were held in Washington on April 9-10, May 28-29, June 11-12, and July 17-19, 1923. Public hearings on the tentative regulations of the Secretary of Agriculture were held at the principal markets in the United States on the dates indicated below:

Norfolk, Va., April 23.  
Charlotte, N. C., April 24.  
Augusta, Ga., April 25.  
Columbia, S. C., April 26.  
Savannah, Ga., April 27.  
Atlanta, Ga., April 28.  
Montgomery, Ala., April 30.

New Orleans, La., May 1.  
Houston, Tex., May 2.  
Dallas, Tex., May 3.  
Little Rock, Ark., May 4.  
Memphis, Tenn., May 5.  
New York, N. Y., May 15.

These conferences and hearings gave opportunity to many interested persons to express their views and developed a thorough discussion of the matter from every standpoint.

#### MILLIMETER STAPLE DESCRIPTIONS.

One of the early problems presented by the trade was that of finding in the official cotton standards for length of staple equivalents for millimeter staple descriptions. The matter was presented in the conference of April 9-10, in the form of a memorandum drafted by a committee of five from among the exporters present. The text of the memorandum follows:

Your committee, appointed to outline or suggest regulations to meet the requirements of the United States cotton standards act and still conform to the custom of millimeter description, beg to report as follows:

First. We do not deem it possible to recommend the establishment of any definite standards, as physically expressed in samples of cotton to describe

- a. 28 mm.
- b. 28/29 mm.
- c. 28/30 mm.
- d. 29 mm., etc.

Second. The term 28 mm., 28/29 mm., etc., which has existed for many years in the common usage of the cotton trade in Liverpool, the European Continent, Japan, and China, and to which the American shipper has conformed, does not, in the opinion of your committee, represent any specific or definite length of staple alone, which could be expressed or translated in terms of inches, according to measurement, but, on the contrary, represents "an idea or conception" in the minds of European merchants and consumers, as well as American shippers, through long years of usage of a combination of length of staple, character, quality, body, and breaking strength.

Third. Your committee do not know, nor have they ever heard, of the existence of any standard on the Liverpool, Havre, or Bremen Cotton Exchanges physically represented by sample of cotton to express such millimeter description as 28 mm., 28/29 mm., etc., the custom being that the buyers, or in the event of arbitration on the various exchanges, the classers, determine the value of such cotton according to their timeworn "idea or conception" of 28 mm., 28/29 mm., etc.

Fourth. There is also some variance in the opinion of buyers in different countries as to their respective "idea or conception" of 28 mm., 28/29 mm., etc., some preferring length and silkiness, others requiring character, good body, combined with breaking strength, rather than length of staple alone.

Fifth. Your committee therefore respectfully recommend that the department, if possible, so interpret the act, that the long-established custom of millimeter description be recognized and continued, especially as it is their belief that

by so doing a closer spirit of cooperation may be expected and developed between the European buyer and American shipper, which should eventually tend to make the act in its entirety more acceptable to all interests.

WALTER S. THOMSON,  
*Chairman.*

W. A. STRIBLING.

W. D. FELDER.

A. W. PORTER.

C. B. HOWARD.

The statement of the committee was referred to the solicitor of the department, by the bureau, with the comment that:

As the official cotton standards of the United States have been established only for grade and for length of staple, it is apparent that there can be no exact equivalents in them for the millimeter descriptions until other standards are promulgated to represent the qualities other than length which are now expressed in terms of millimeters.

On April 30, 1923, the solicitor rendered an opinion,<sup>1</sup> the gist of which is contained in the following extract:

\* \* \* I am of opinion that the act does not forbid the use of the millimeter description until such time as official standards have been promulgated and become effective by which the same information can be given that is expressed by the millimeter description.

**DEFINING THE GRADE STANDARDS IN TERMS OF EUROPEAN EQUIVALENTS,  
SEASON 1923-24.**

In the conference of May 28-29, held in the office of the Secretary of Agriculture, the attending exporters declared that the period between the passage of the act and its effective date was too short to permit their foreign connections to become familiar with the official standards. The difficulty of selling on the American standards was intensified by the inability of the department to meet the demand for the boxes which developed soon after the enactment of the statute. As a result of the discussions, the following statement was issued jointly by the Department of Agriculture and the exporters present:

The United States cotton standards act will become effective on August 1, 1923. It requires in interstate and foreign commerce the observance of the official cotton standards of the United States in all transactions based on standards, and prohibits the use of any other standards of classification.

The group unanimously approved the desirability of world-wide agreement upon uniform cotton standards and indorsed the present official cotton standards of the United States as satisfactory to the American cotton trade.

Because of the fact that a large part of the export business in this country in cotton has been based on Liverpool and other foreign standards of classification, which are somewhat different in terminology and meaning from the official cotton standards of the United States, many foreign buyers of our cotton are not thoroughly familiar with the American standards and must be informed as to their meaning and application. It was the view of the exporters that it may be necessary, during the coming crop season, for American exporters to define our standards in terms of their equivalents in Liverpool and other recognized foreign standards and to guarantee that shipments on American standards shall equal the specified foreign equivalents.

Therefore, assuming that the Liverpool and other foreign associations will promptly agree upon universal standards, the department sees no objection to this practice for a reasonable period of transition, certainly not beyond the coming crop year, in order to facilitate compliance with the new law.

Representing the trade were:

C. W. Butler, C. W. Butler & Co., Memphis Cotton Exchange.

W. L. Clayton, Anderson, Clayton & Co., Houston Cotton Exchange, Texas Cotton Association.

<sup>1</sup> Opinion of R. W. Williams, No. 10570.



J. W. Evans, J. W. Evans & Co., Houston Cotton Exchange, Texas Cotton Association.

Richard T. Harriss, Harriss, Irby & Vose, New York Cotton Exchange.  
C. B. Howard, sales manager, American Cotton Growers Exchange, Atlanta.  
Samuel Hubbard, jr., Hubbard Bros. & Co., New York Cotton Exchange.  
J. L. Jones, Godwin, Jones Co., Houston Cotton Exchange, Texas Cotton Association.

E. B. Norman, E. B. Norman & Co., New Orleans Cotton Exchange.  
E. W. Porter, Porter, Weaver & Co., Memphis Cotton Exchange.  
H. M. Rankin, Newberger, Rankin & Co., New Orleans Cotton Exchange.  
M. P. Rivers, Geo. H. McFadden & Bro., Savannah Cotton Exchange.  
Walter S. Thomson, Philadelphia, New York Cotton Exchange.  
George S. Willman, W. M. Hannay & Co., Dallas Cotton Exchange, Texas Cotton Association.

Those who represented the department were:

Hon. Henry C. Wallace, Secretary of Agriculture.  
Dr. Henry C. Taylor, Chief, Bureau of Agricultural Economics.  
Chester Morrill, Assistant to the Secretary.  
Lloyd S. Tenny, Assistant Chief, Bureau of Agricultural Economics.  
Charles J. Brand, Consulting Specialist in Marketing.  
Fred W. Knight, Specialist in Cotton Classing.  
Arthur W. Palmer, Specialist in Cotton Marketing.

#### ADOPTION OF UNIVERSAL STANDARDS.

The conference of June 11-12, which in many respects may be considered the most important one, was called by the Bureau of Agricultural Economics in response to a request of the Liverpool Cotton Association (Ltd.). To this conference the Liverpool Cotton Association sent:

Hugh Roxburgh, ex-president of the association.  
Cecil R. Taylor, director and member of the American Appeals Committee.  
J. G. Clayton, director of the Liverpool Cotton Association.  
Augustus C. Nickson, secretary of the association.

The Syndicat du Commerce des Cotons au Havre was represented by:

Pierre du Pasquier, a director of the syndicat and member of the Appeals Committee of the syndicat's Chambre Arbitrale.

From the Manchester Cotton Association (Ltd.), came:

William Heaps, and H. Robinson, secretary.

The Federation of Master Cotton Spinners Association sent as delegates:

Cecil Hilton and George Wild.

In addition to their own association, the Liverpool delegates were authorized to act in behalf of the Bremer Baumwollbörse, the Associazione Cotoniara Italiana, and the Central Algodonero de Barcelona. M. du Pasquier represented by proxy the Association Cotonniere de Belgique and the Marché de Coton Belge of Ghent.

From the American trade were:

Leopold S. Bache, J. S. Bache & Co., New York City.  
John C. Bearden, Sanders & Co., Houston, Tex.  
Chauncey W. Butler, Memphis Cotton Exchange, Memphis, Tenn.  
H. M. Carrere, Augusta, Ga.  
Leon Henri Charbonnier, jr., Charbonnier & Ellison, Augusta, Ga.  
David H. Coker, Coker Cotton Co., Pedigreed Seed Co., Hartsville, S. C.  
Matt Gill, Gill, Nelson & Caine, Dallas, Tex., and Liverpool, England.  
S. W. Harris, S. W. Harris & Co., Norfolk, Va.  
W. Leslie Harriss, Harriss, Irby & Vose, New York City.  
S. T. Hubbard, jr., Hubbard Bros. Co., New York City.

C. B. Howard, general manager, American Cotton Growers Exchange, Atlanta, Ga.

Theo. Marcus, Theo. Marcus & Co., Dallas Cotton Exchange, Dallas, Tex.

W. C. Neal, general sales manager, Mississippi Farm Bureau Cotton Association, Jackson, Miss.

W. J. Neale, Geo. H. McFadden & Bro., Waco, Tex.

Ernest B. Norman, E. B. Norman & Co., New Orleans, La.

H. M. Rankin, Newburger, Rankin & Co., New Orleans Cotton Exchange, New Orleans, La.

M. P. Rivers, Geo. H. McFadden & Bro., Savannah Cotton Exchange, Savannah, Ga.

William J. Schmitz, Sanders & Co., Houston, Tex.

William H. Sprunt, Alex. Sprunt & Son (Inc.), Wilmington, N. C.

Meacham Stewart, Meacham Stewart & Co., Memphis, Tenn.

Eustace Taylor, Cotton Exchange and Board of Trade, Galveston, Tex.

Walter S. Thomson, Geo. H. McFadden & Bro., Philadelphia, Pa.

I. Weil, Weil Bros., Montgomery, Ala.

Carl Williams, American Cotton Growers Exchange, Oklahoma City, Okla.

George S. Willman, George S. Willman & Co., Texas Cotton Association, Dallas, Tex.

K. E. Womack, Sanders & Co., Houston, Tex.

Those present from the Department of Agriculture were:

Hon. Henry C. Wallace, Secretary of Agriculture.

Dr. Henry C. Taylor, Chief, Bureau of Agricultural Economics.

Chester Morrill, Assistant to the Secretary.

Lloyd S. Tenny, Assistant Chief, Bureau of Agricultural Economics.

Charles J. Brand, consulting specialist in marketing.

William R. Meadows, in charge, Division of Cotton Marketing, Bureau of Agricultural Economics.

Fred W. Knight, specialist in cotton classing.

Harold C. Slade, specialist in cotton classing.

Arthur W. Palmer, specialist in cotton marketing.

G. S. Meloy, investigator in cotton marketing.

James Monroe Hill, vice consul at Manchester.

The first session of the conference was opened by the Secretary of Agriculture, after which the overseas delegates were heard. The subsequent sessions developed clearly that the issue between the exchanges of Europe, on the one hand, and, on the other, the American shippers and the Department of Agriculture arose over section 4 of the act, which is quoted below:

SEC. 4. That any person who has custody of or a financial interest in any cotton may submit the same or samples thereof, drawn in accordance with the regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture, as may be designated for the purpose pursuant to the regulations of the Secretary of Agriculture for a determination of the true classification of such cotton or samples, including the comparison thereof, if requested, with types or other samples submitted for the purpose. The final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true classification or comparison of such cotton or samples when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall fix rules and regulations for submitting samples of cotton for classification providing that all samples shall be numbered so that no one interested in the transaction involved shall be known by any classifier engaged in the classification of such cotton samples.

The greater part of the difficulty centered about the objection of the Liverpool association to the official standards of the United States for length of staple, and the unwillingness of all the principal European exchanges to relinquish their authority to arbitrate disputes arising out of shipments from the United States. In the in-



terest of an adjustment of differences the American trade representatives agreed not to press the matter of arbitrations, asserting their willingness to continue as in the past.

The results of this conference may be summarized in the final statement of the department, which follows:

In view of the difficulties of the European delegation in accepting the official standards for length of staple, the United States Department of Agriculture and the representatives of the American cotton industry propose to the delegates representing the European cotton industry that in case the European cotton associations adopt the official cotton standards of the United States for grade and color as universal standards, the Secretary of Agriculture will take such action as may be necessary under section 4 of the United States cotton standards act to vest in the present and next succeeding (annually elected) members of the boards of appeals of the Liverpool Cotton Association, the Manchester Cotton Association, the Association du Commerce des Cotons du Havre, and the Bremen Cotton Exchange the authority to determine finally the true classification as to grade and color, in accordance with said standards, of cotton of American growth exported from the United States.,

M. du Pasquier, on behalf of the Havre and Belgian associations, at once accepted this proposal, his action being officially confirmed from Havre in a cable message on June 14, 1923. Mr. Roxburgh, speaking for his associates and himself, agreed to recommend acceptance by their principals. Subsequently the Liverpool cotton exchange requested its delegates to return home for a further discussion of the matter. On June 27, the association cabled its acceptance of the department's proposal but gave notice of its objection to the color of certain bales in the Middling and Strict Middling boxes. Meanwhile, Bremen on July 22 cabled that it had accepted the standards "on principle." The Manchester association and the Federation of Master Cotton Spinners Association took favorable action on July 2, 1923, and July 9, 1923, respectively.

The objection of the Liverpool association to the Middling and Strict Middling boxes resulted in a conference being called for July 17, 1923, in Washington.

#### REVISION OF THE STANDARDS, JULY 17-19, 1923.

Following Liverpool's criticism of the standards for the Middling and Strict Middling grades, inquiries were circulated among American shippers to ascertain their views on the question of revising these boxes. As their replies on the whole favored such action, announcement was given of a conference for this purpose, to begin on July 17, 1923, and invitations were sent to each of the European exchanges which had accepted the standards.

To this conference the Liverpool Cotton Association sent:

Cecil R. Taylor, of the American Appeals Committee.

J. C. Finlay, of the American Appeals Committee.

Augustus C. Nickson, secretary.

The Manchester delegates were:

Fred A. Tomlinson.

Richard Brooks.

H. Robinson, secretary.

The Liverpool delegates held authority to represent also the Syndicat du Commerce des Cotons au Havre, in addition to the associations for which they had spoken in the conference of June 11-12.



The nature of the object to be accomplished was thought to make desirable the concurrence of a group taken from the cotton industry of the United States rather than from the merchant trade alone. Farmers and spinners, as well as shippers, were therefore urged to be present. Those present were:

C. F. Bledsoe, Staple Cotton Cooperative Association, Greenwood, Miss.  
 T. F. Cahill, New York Cotton Exchange.  
 R. L. Crittenden, New England Arbitration Committee, Boston, Mass.  
 R. C. Dickerson, Texas Cotton Association, Waco, Tex.  
 W. M. Drake, Memphis Cotton Exchange, Memphis, Tenn.  
 C. A. Francis, New Orleans Cotton Exchange, New Orleans, La.  
 D. C. Glenn, Houston Cotton Exchange, Houston, Tex.  
 John Gorham, farmer, Waco, Tex.  
 R. H. Gilbert, Norfolk Cotton Exchange, Norfolk, Va.  
 R. F. Irby, Harriss, Irby & Vose, Galveston, Tex.  
 G. W. Johnston, American Cotton Manufacturers Association, Charlotte, N. C.  
 Theo. Marcus, Dallas Cotton Exchange, Dallas, Tex.  
 James W. Morton, farmer and spinner, Athens, Ga.  
 W. C. Neal, Cooperative Marketing Association, Jackson, Miss.  
 E. B. Norman, New Orleans Cotton Exchange, New Orleans, La.  
 Wm. Howard Smith, farmer, Prattville, Ala.  
 W. A. Stribbling, Atlanta Commercial Exchange, Atlanta, Ga.  
 M. P. Rivers, Savannah Cotton Exchange, Savannah, Ga.  
 Eustace Taylor, Galveston Cotton Exchange, Galveston, Tex.  
 W. S. Thomson, Philadelphia, Pa.  
 L. W. Weil, Montgomery Cotton Exchange, Montgomery, Ala.  
 S. Y. West, Little Rock Cotton Exchange, Arkansas Cotton Trade Association, Little Rock, Ark.  
 George S. Willman, Dallas Cotton Exchange, Dallas, Tex.

The Department of Agriculture was represented by:

Dr. Henry C. Taylor, Chief, Bureau of Agricultural Economics.  
 Chester Morrill, Assistant to the Secretary.  
 Lloyd S. Tenny, Assistant Chief, Bureau of Agricultural Economics.  
 Charles J. Brand, consulting specialist in marketing.  
 William R. Meadows, in charge, Division of Cotton Marketing, Bureau of Agricultural Economics.  
 Fred W. Knight, specialist in cotton classing.  
 Harold C. Slade, specialist in cotton classing.  
 Arthur W. Palmer, specialist in cotton marketing.  
 G. S. Meloy, investigator in cotton marketing.  
 James Monroe Hill, vice consul at Manchester.

Of the Liverpool delegates, Mr. Nickson remained in this country from the day of his arrival in June until after the July conference. Mr. Taylor and Mr. Finlay came to Washington in time to spend four or five days at work in the standards laboratory before the meeting convened. It developed, upon the arrival of these two gentlemen, that they had criticism to make not only of the Middling and Strict Middling boxes but of Good Middling and Strict Low Middling as well. In the Good Middling box, bales Nos. 4 and 12 were considered to be off-color. In Strict Middling, Nos. 4 and 12 were said to be off-color to light spotted. In Middling the same objection was made to Nos. 1, 4, 6, and 12. Bales 3 and 7 in Strict Low Middling were thought to carry too much spot and the box as a whole a trifle too much leaf.

The Havre exchange expressed itself in a telegram to the department, as follows:

After careful examination we estimate that American standards are somewhat low, especially strict middling, middling and below showing also too great percentage of color. We therefore express opinion that slight alteration necessary.

Before the opening of the conference, the Liverpool delegation prepared boxes for the four grades, Good Middling to Strict Low Middling, representing their views of what these grades should be. These boxes were, however, not wholly acceptable to the shippers, and a committee, consisting of Messrs. Marcus, Francis, Irby, Neal, Rivers, Stribling, and West, was appointed to prepare a separate set of boxes in the same four grades. Upon submission of these boxes, the Liverpool representatives issued the following statement:

Judging type on the basis of average:

In Good Middling we are prepared to accept the original standards, provided either bale 4 or 12 is eliminated and a better colored bale substituted in place of one of them.

In Strict Middling we are prepared to accept the original standards, provided Nos. 4 and 12 are eliminated and better colored bales substituted.

The middling tentative standard made up by the American committee shows in our opinion as much color as the original. The European delegates consider that in submitting the tentative standards prepared by them they have already made considerable concession as compared to the Liverpool Fully Middling standards, and they hope the tentative standard for Middling prepared by the European delegation will be accepted.

The European delegation accepts the Strict Low Middling standard prepared by the American delegates.

After considerable deliberation and further interchange of propositions the conference agreed unanimously upon the following revisions:

In grade No. 3, or Good Middling, bale No. 12 was removed and replaced with a bale resembling in color the general average of the box.

In grade No. 4, or Strict Middling, bale No. 12 was removed and replaced with a bale similar in color to Nos. 5 and 10.

In grade No. 5, or Middling, bales No. 4 and No. 6 were removed. No. 1 was transferred to the No. 4 position and new bales similar to Nos. 3 and 7 were inserted in place of Nos. 1 and 6.

In grade No. 6, or Strict Low Middling, the new box as prepared by the American committee is of a little better general color and slightly less spotted than the old box.

Examination of the revised standards shows that while they are of slightly better average color, there has been no perceptible change in grade value. As a rule, the new bales which were inserted in place of those of deep color carry enough more leaf to offset the color improvement. Only in this way was it possible to alter four boxes in the middle of the gamut without doing violence to the scheme of gradation from box to box, which, after much study, had been attained in the official standards of August 1, 1923.

The boxes, which were finally approved on July 19, 1923, were set aside and on July 31, 1923, the Secretary of Agriculture, in an official order under authority of the United States cotton standards act, promulgated them as official cotton standards of the United States, effective August 1, 1924. The same order repromulgated the existing standards of all the other white grades and of all the color standards for upland cotton, these having previously been established under authority of the United States cotton futures act. In agreement with the wishes of the representatives of the European exchanges which, in adopting the official standards, had abandoned their own, permission was given at the same time for the use of the



alternative designation, "universal standards," a term which may be said to indicate truly their position in the world's trade in American cotton.

The plan of standardization is unchanged from that authorized in 1923 and corresponds to the chart shown in Figure 1.

FIG. 1.—*Grades and colors of the universal standards for American upland cotton.*

Blue Stained.	Gray.	Standards for grades of upland cotton, White.	Spotted.	Yellow Tinged.	Light Stained.	Yellow Stained.
		1 or M. F.				
		2 or S. G. M.		2 T.		
3 B.	3 G.	3 or G. M.	3 Sp.	3 T.	3 L. S.	3 S.
4 B.	4 G.	4 or S. M.	4 Sp.	4 T.	4 L. S.	4 S.
5 B.	5 G.	5 or M.	5 Sp.	5 T.	5 L. S.	5 S.
		6 or S. L. M.	6 Sp.	6 T.		
		7 or L. M.	7 Sp.	7 T.		
		8 or S. G. O.				
		9 or G. O.				

Symbols in heavy type denote grades and colors for which practical forms of the official cotton standards are prepared. Symbols in italics represent the designations of cotton which in color is between practical forms.

The grades shown above the black lines are deliverable on future contracts made in accordance with section 5 of the United States cotton futures act. Those below the line are untenderable on such contracts.

The following is a copy of the order of the Secretary of Agriculture promulgating the standards for American upland cotton of the four revised grades and repromulgating the standards for the other grades and for the colors, which continue unchanged:

**PUBLIC NOTICE ESTABLISHING OFFICIAL COTTON STANDARDS OF THE UNITED STATES FOR GRADES AND COLORS OF AMERICAN UPLAND COTTON.**

Pursuant to the authority vested in the Secretary of Agriculture by section 9 of the United States cotton futures act, approved August 11, 1916 (39 United States Statutes at Large, p. 476; amended March 4, 1919, 40 Statutes at Large, p. 1351), and by section 6 of the United States cotton standards act (42 Statutes at Large, p. 1517), I, C. W. Pugsley, Acting Secretary of Agriculture, do hereby establish, promulgate, and give public notice of standards for grades and colors of cotton of varieties known as American upland, effective August 1, 1924, as hereinafter set forth. Said standards shall thereupon supersede and replace the standards for grades and colors of American cotton which were established by the Secretary on July 26, 1922, as effective August 1, 1923, the only changes, however, being in the grades and colors of No. 3 or Good Middling, No. 4 or Strict Middling, No. 5 or Middling, and No. 6 or Strict Low Middling.

Inasmuch as these standards have been agreed upon and accepted by all of the leading European cotton exchanges, they may be also termed and referred to as Universal Standards for American Cotton.

For the purposes of these standards:

**GRADES.**

No. 1 (or Middling Fair).—No. 1 or Middling Fair shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the



District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 1 or Middling Fair, effective August 1, 1923."

No. 2 (or Strict Good Middling).—No. 2 or Strict Good Middling shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 2 or Strict Good Middling, effective August 1, 1923."

No. 3 (or Good Middling).—No. 3 or Good Middling shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 3 or Good Middling, effective August 1, 1924."

No. 4 (or Strict Middling).—No. 4 or Strict Middling shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 4 or Strict Middling, effective August 1, 1924."

No. 5 (or Middling).—No. 5 or Middling shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 5 or Middling, effective August 1, 1924."

No. 6 (or Strict Low Middling).—No. 6 or Strict Low Middling shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 6 or Strict Low Middling, effective August 1, 1924."

No. 7 (or Low Middling).—No. 7 or Low Middling shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 7 or Low Middling, effective August 1, 1923."

No. 8 (or Strict Good Ordinary).—No. 8 or Strict Good Ordinary shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 8 or Strict Good Ordinary, effective August 1, 1923."

No. 9 (or Good Ordinary).—No. 9 or Good Ordinary shall be American upland cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 9 or Good Ordinary, effective August 1, 1923."

#### YELLOW TINGED COTTON.

No. 2 Tinged (or Strict Good Middling Yellow Tinged).—No. 2 Tinged or Strict Good Middling Yellow Tinged shall be American upland cotton which in grade is No. 2 or Strict Good Middling, but in tinge is between No. 2 or Strict Good Middling and No. 3 Tinged or Good Middling Yellow Tinged, effective August 1, 1923.

No. 3 Tinged (or Good Middling Yellow Tinged).—No. 3 Tinged or Good Middling Yellow Tinged shall be American upland cotton which in grade is No. 3 or Good Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 3 Tinged or Good Middling Yellow Tinged, effective August 1, 1923."

No. 4 Tinged (or Strict Middling Yellow Tinged).—No. 4 Tinged or Strict Middling Yellow Tinged shall be American upland cotton which in grade is

No. 4 or Strict Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 4 Tinged or Strict Middling Yellow Tinged, effective August 1, 1923."

No. 5 Tinged (or Middling Yellow Tinged).—No. 5 Tinged or Middling Yellow Tinged shall be American upland cotton which in grade is No. 5 or Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 5 Tinged or Middling Yellow Tinged, effective August 1, 1923."

No. 6 Tinged (or Strict Low Middling Yellow Tinged).—No. 6 Tinged or Strict Low Middling Yellow Tinged shall be American upland cotton which in grade is No. 6 or Strict Low Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 6 Tinged or Strict Low Middling Yellow Tinged, effective August 1, 1923."

No. 7 Tinged (or Low Middling Yellow Tinged).—No. 7 Tinged or Low Middling Yellow Tinged shall be American upland cotton which in grade is No. 7 or Low Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 7 Tinged or Low Middling Yellow Tinged, effective August 1, 1923."

#### YELLOW STAINED COTTON.

No. 3 Stained (or Good Middling Yellow Stained).—No. 3 Stained or Good Middling Yellow Stained shall be American upland cotton which in grade is No. 3 or Good Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 3 Stained or Good Middling Yellow Stained, effective August 1, 1923."

No. 4 Stained (or Strict Middling Yellow Stained).—No. 4 Stained or Strict Middling Yellow Stained shall be American upland cotton which in grade is No. 4 or Strict Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 4 Stained or Strict Middling Yellow Stained, effective August 1, 1923."

No. 5 Stained (or Middling Yellow Stained).—No. 5 Stained or Middling Yellow Stained shall be American upland cotton which in grade is No. 5 or Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 5 Stained or Middling Yellow Stained, effective August 1, 1923."

#### BLUE STAINED COTTON.

No. 3 Blue Stained (or Good Middling Blue Stained).—No. 3 Blue Stained or Good Middling Blue Stained shall be American upland cotton which in grade is No. 3 or Good Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 3 Blue Stained or Good Middling Blue Stained, effective August 1, 1923."

No. 4 Blue Stained (or Strict Middling Blue Stained).—No. 4 Blue Stained or Strict Middling Blue Stained shall be American upland cotton which in grade is No. 4 or Strict Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 4 Blue Stained or Strict Middling Blue Stained, effective August 1, 1923."

No. 5 Blue Stained (or Middling Blue Stained).—No. 5 Blue Stained or Middling Blue Stained shall be American upland cotton which in grade is No.



5 or Middling, but in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American upland, No. 5 Blue Stained or Middling Blue Stained, effective August 1, 1923."

#### SPOTTED COTTON.

No. 3 Spotted (or Good Middling Spotted).—No. 3 Spotted or Good Middling Spotted shall be American upland cotton which in grade is No. 3 or Good Middling, but in spot or tinge or both is between No. 3 or Good Middling and No. 3 Tinged or Good Middling Yellow Tinged, effective August 1, 1923.

No. 4 Spotted (or Strict Middling Spotted).—No. 4 Spotted or Strict Middling Spotted shall be American upland cotton which in grade is No. 4 or Strict Middling, but in spot or tinge or both is between No. 4 or Strict Middling and No. 4 Tinged or Strict Middling Yellow Tinged, effective August 1, 1923.

No. 5 Spotted (or Middling Spotted).—No. 5 Spotted or Middling Spotted shall be American upland cotton which in grade is No. 5 or Middling, but in spot or tinge or both is between No. 5 or Middling and No. 5 Tinged or Middling Yellow Tinged, effective August 1, 1923.

No. 6 Spotted (or Strict Low Middling Spotted).—No. 6 Spotted or Strict Low Middling Spotted shall be American upland cotton which in grade is No. 6 or Strict Low Middling, but which in spot or tinge or both is between No. 6 or Strict Low Middling and No. 6 Tinged or Strict Low Middling Yellow Tinged, effective August 1, 1923.

No. 7 Spotted (or Low Middling Spotted).—No. 7 Spotted or Low Middling Spotted shall be American upland cotton which in grade is No. 7 or Low Middling, but which in spot or tinge or both is between No. 7 or Low Middling and No. 7 Tinged or Low Middling Yellow Tinged, effective August 1, 1923.

#### LIGHT STAINED COTTON.

No. 3 Light Stained (or Good Middling Light Yellow Stained).—No. 3 Light Stained or Good Middling Light Yellow Stained shall be American upland cotton which in grade is No. 3 or Good Middling, but in yellow stain is between No. 3 Tinged or Good Middling Yellow Tinged and No. 3 Stained or Good Middling Yellow Stained, effective August 1, 1923.

No. 4 Light Stained (or Strict Middling Light Yellow Stained).—No. 4 Light Stained or Strict Middling Light Yellow Stained shall be American upland cotton which in grade is No. 4 or Strict Middling, but in yellow stain is between No. 4 Tinged or Strict Middling Yellow Tinged and No. 4 Stained or Strict Middling Yellow Stained, effective August 1, 1923.

No. 5 Light Stained (or Middling Light Yellow Stained).—No. 5 Light Stained or Middling Light Yellow Stained shall be American upland cotton which in grade is No. 5 or Middling, but in yellow stain is between No. 5 Tinged or Middling Yellow Tinged and No. 5 Stained or Middling Yellow Stained, effective August 1, 1923.

#### GRAY COTTON.

No. 3 Gray (or Good Middling Gray).—No. 3 Gray or Good Middling Gray shall be American upland cotton which in grade is No. 3 or Good Middling but in gray or bluish color is between No. 3 or Good Middling and No. 3 Blue Stained or Good Middling Blue Stained, effective August 1, 1923.

No. 4 Gray (or Strict Middling Gray).—No. 4 Gray or Strict Middling Gray shall be American upland cotton which in grade is No. 4 or Strict Middling, but in gray or bluish color is between No. 4 or Strict Middling and No. 4 Blue Stained or Strict Middling Blue Stained, effective August 1, 1923.

No. 5 Gray (or Middling Gray).—No. 5 Gray or Middling Gray shall be American upland cotton which in grade is No. 5 or Middling, but in gray or bluish color is between No. 5 or Middling and No. 5 or Blue Stained or Middling Blue Stained, effective August 1, 1923.

#### GENERAL.

American upland cotton which in grade and color is within the range of the standards established by this notice, but which contains a combination of grade and color not within any one of the definitions herein set out, shall



be designated according to the definition which is equivalent to, or if there be no exact equivalent is next below, the average of all the factors that determine the grade and color of the cotton.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the City of Washington, this 30th day of July, 1923.

[SEAL.]

C. W. PUGSLEY,  
*Acting Secretary of Agriculture.*

For convenience of reference, in addition to the orders promulgating the universal standards, earlier orders establishing the official cotton standards of the United States for grades and color for American Egyptian cotton, for sea-island cotton and standards for length of staple are reprinted here:

**PUBLIC NOTICE ESTABLISHING OFFICIAL COTTON STANDARDS OF THE UNITED STATES FOR GRADES AND COLORS FOR AMERICAN EGYPTIAN COTTON.**

DEPARTMENT OF AGRICULTURE,  
*Washington, July 26, 1922.*

Pursuant to the authority vested in the Secretary of Agriculture by section 9 of the United States cotton futures act, approved August 11, 1916 (39 United States Statutes at Large, p. 476; amended March 4, 1919, 40 Statutes at Large, p. 1351), I, Henry C. Wallace, Secretary of Agriculture, do hereby establish, promulgate, and give public notice of, standards for grades and colors of cotton of varieties known as American Egyptian, effective August 1, 1923, as hereinafter set forth. Said standards shall thereupon supersede and replace the present standards for grades of American Egyptian cotton which were established by the Secretary of Agriculture on October 25, 1918.

For the purposes of these standards:

SECTION 1. *Grade No. 1.*—Grade No. 1 shall be American Egyptian cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Egyptian, Grade No. 1."

SEC. 2. *Grade No. 2.*—Grade No. 2 shall be American Egyptian cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Egyptian, Grade No. 2."

SEC. 3. *Grade No. 3.*—Grade No. 3 shall be American Egyptian cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Egyptian, Grade No. 3."

SEC. 4. *Grade No. 4.*—Grade No. 4 shall be American Egyptian cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Egyptian, Grade No. 4."

SEC. 5. *Grade No. 5.*—Grade No. 5 shall be American Egyptian cotton which in grade and color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Egyptian, Grade No. 5."

SEC. 6. *Intermediate Grades.*—American Egyptian cotton which in grade and/or color is between any two adjoining grades described in sections 1 to 5, inclusive, of this order shall be designated by the word "Grade" and the grade number of the higher of such two grades followed by the fraction " $\frac{1}{2}$ ."

SEC. 7. *Below Grade No. 5.*—American Egyptian cotton which in grade and/or color is inferior to Grade No. 5 shall be designated "Below Grade No. 5."

SEC. 8. *Extraneous matter.*—American Egyptian cotton containing cracked seeds, seed kernels, sand, or other extraneous matter shall be graded as if it contained an equivalent of leaf and trash as represented in the respective grades described in sections 1 to 7, inclusive, of this order.

SEC. 9. *Repacked.*—American Egyptian cotton that is composed of factors', brokers', or other samples, or of loose or miscellaneous lots, collected and rebaled, shall, in addition to its grade, be designated "Repacked."

SEC. 10. *False packed.*—American Egyptian cotton in a bale (1) containing substances entirely foreign to cotton; (2) containing damaged cotton in the interior, with or without any indication of such damage upon the exterior; (3) composed of good cotton upon the exterior and exceedingly inferior cotton in the interior in such manner as not to be detected by customary examination, that is, a plated bale; or (4) containing pickings or linters worked into the bale, shall, in addition to its grade, be designated "False Packed."

SEC. 11. *Mixed packed.*—American Egyptian cotton in a bale which shows a difference of more than two grades between samples drawn from the heads and the top and bottom sides of the bale, or which shows a difference in color between such samples, exceeding two grades, shall, in addition to its lowest grade, be designated "Mixed Packed."

SEC. 12. *Water packed.*—American Egyptian cotton in a bale that has been penetrated by water during the baling process, causing damage to the fibers, or a bale that through exposure to the weather, or by other means, while apparently dry on the exterior, has been damaged by water in the interior, shall, in addition to its grade, be designated "Water Packed."

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the City of Washington, this 26 day of July, 1922.

HENRY C. WALLACE,  
*Secretary of Agriculture.*

#### GRADES FOR SEA-ISLAND COTTON.

DEPARTMENT OF AGRICULTURE,  
*Washington.*

Pursuant to the authority vested in the Secretary of Agriculture by section 9 of the United States cotton futures act approved August 11, 1916, 39 United States Statutes at Large, page 476, I, David F. Houston, Secretary of Agriculture, do hereby establish, promulgate, and give public notice of, standards for cotton of varieties known as Sea Island, effective October 25, 1918, as follows:

#### OFFICIAL COTTON STANDARDS OF THE UNITED STATES FOR SEA ISLAND COTTON.

For the purposes of these standards:

SECTION 1. *Grade 1.*—Grade 1 shall be Sea Island Cotton which in grade is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States Sea Island Grade 1."

SEC. 2. *Grade 2.*—Grade 2 shall be Sea Island cotton which in grade is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States Sea Island Grade 2."

SEC. 3. *Grade 3.*—Grade 3 shall be Sea Island cotton which in grade is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container





marked "Original Official Cotton Standards of the United States Sea Island Grade 3."

SEC. 4. *Grade 4.*—Grade 4 shall be Sea Island cotton which in grade is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States Sea Island Grade 4."

SEC. 5. *Grade 5.*—Grade 5 shall be Sea Island cotton which in grade is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States Sea Island Grade 5."

SEC. 6. *Grade 6.*—Grade 6 shall be Sea Island cotton which in grade is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States Sea Island Grade 6."

SEC. 7. *Intermediate grades.*—Sea Island cotton which in grade is between any two adjoining grades of those described in sections 1 to 6, inclusive, of this order shall be designated by the word "Grade" and the grade number of the higher of such two grades followed by the fraction " $\frac{1}{2}$ ."

SEC. 8. *Below Grade 6.*—Sea Island cotton which in grade is inferior to Grade 6 shall be designated "Below Grade 6."

SEC. 9. *Extraneous matter.*—Sea Island cotton containing cracked seeds, seed kernels, sand, or other extraneous matter shall be graded as if it contained an equivalent of leaf and trash as represented in the respective grades described in sections 1 to 8, inclusive, of this order.

SEC. 10. *Repacked.*—Sea Island cotton that is composed of factors', brokers', or other samples, or of loose or miscellaneous lots, collected and rebaled, shall in addition to its grade, be designated "Repacked."

SEC. 11. *False packed.*—Sea Island cotton in a bale (1) containing substances entirely foreign to cotton; (2) containing damaged cotton in the interior, with or without any indication of such damage upon the exterior; (3) composed of good cotton upon the exterior and exceedingly inferior cotton in the interior in such manner as not to be detected by customary examination, that is, a plated bale; or (4) containing pickings or linters worked into the bale, shall, in addition to its grade, be designated "False Packed."

SEC. 12. *Mixed packed.*—Sea Island cotton in a bale which shows a difference of more than two grades between samples drawn from the heads and the top and bottom sides of the bale, or which shows a difference in color between such samples, exceeding two grades, shall, in addition to its lowest grade, be designated "Mixed Packed."

SEC. 13. *Water packed.*—Sea Island cotton in a bale that has been penetrated by water during the bailing process, causing damage to the fibers, or a bale that through exposure to the weather or by other means, while apparently dry on the exterior, has been damaged by water in the interior, shall, in addition to its grade, be designated "Water Packed."

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the District of Columbia, this 25th day of October, 1918.

[SEAL.]

D. F. HOUSTON,  
Secretary.

#### LENGTHS OF STAPLE.

The official Cotton Standards of the United States for length of staple were established by the Secretary of Agriculture on October 25, 1918, and have not since been changed in any respect, except that under the original order only nine lengths of staple were represented by practical forms. On August 4, 1921, this order was amended by



the Secretary of Agriculture to provide for the representation of 12 of the lengths of staple by practical forms, as set out in Section 3 of the amended order quoted below:

DEPARTMENT OF AGRICULTURE,  
*Washington.*

Pursuant to the authority vested in the Secretary of Agriculture by section 9 of the United States cotton futures act, approved August 11, 1916, 39 United States Statutes at Large, page 476, I, David F. Houston, Secretary of Agriculture, do hereby establish, promulgate, and give public notice of, standards for length of staple of cotton, effective October 25, 1918, as follows:

OFFICIAL COTTON STANDARDS OF THE UNITED STATES FOR LENGTH OF STAPLE.

For the purposes of these standards:

SECTION 1. The length of staple of any cotton shall be the normal length by measurement, without regard to quality or value, of a typical portion of its fibers under a relative humidity of the atmosphere of 65 per cent and a temperature of 70° F.

SEC. 2. The length of staple of any cotton shall be designated by that one of the following terms which expresses its measurement in inches or fractions of an inch in accordance with section 1 of this order:

Below  $\frac{3}{4}$ ;  $\frac{7}{8}$ ;  $1\frac{1}{8}$ ;  $1\frac{1}{4}$ ;  $1\frac{1}{2}$ ;  $1\frac{3}{4}$ ;  $1\frac{7}{8}$ ;  $1\frac{5}{8}$ ;  $1\frac{3}{4}$ ;  $1\frac{1}{2}$ ;  $1\frac{1}{4}$ ;  $1\frac{1}{8}$ ;  $1\frac{3}{8}$ ;  $1\frac{1}{2}$ ;  $1\frac{1}{4}$ ;  $1\frac{1}{8}$ ;  $1\frac{3}{8}$ ;  $1\frac{1}{2}$ ;  $1\frac{1}{4}$ ;  $1\frac{1}{8}$ ;  $1\frac{3}{8}$ ;  $1\frac{1}{2}$ ;  $1\frac{1}{4}$ ; and upward in like manner in gradations of thirty-seconds, disregarding any fraction less than a thirty-second.

SEC. 3. The lengths of staple designated as  $\frac{3}{4}$ ,  $\frac{7}{8}$ , 1,  $1\frac{1}{8}$ ,  $1\frac{1}{4}$ ,  $1\frac{1}{2}$ ,  $1\frac{3}{4}$ ,  $1\frac{7}{8}$ ,  $1\frac{5}{8}$ ,  $1\frac{3}{4}$ ,  $1\frac{1}{2}$ ,  $1\frac{1}{4}$ ,  $1\frac{1}{8}$ ,  $1\frac{3}{8}$ , and  $1\frac{1}{2}$  inches, respectively, are each represented by a sample in the custody of the United States Department of Agriculture in a container marked "Original Official Cotton Standards of the United States Length of Staple" followed by the appropriate designation of such length of staple.

SEC. 4. Cotton which is more than three-fourths of an inch in length of staple, but is not exactly one of the measurements specified in section 2 of this order, shall be designated by that one of such measurements which comes nearest under its true measurement.

SEC. 5. Whenever the length of staple of cotton taken from one part of a bale is different from that taken from another part of the same bale, the length of staple of the cotton in such bale shall be that of the part which is the shorter.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the District of Columbia, this 25th day of October, 1918.

D. F. HOUSTON,  
*Secretary.*



(NOTE.—For a description of the Official Cotton Standards of the United States for length of staple, photographic illustrations of various lengths, and an approved method of determining length of staple, see Department Circular 278, "The Commercial Classification of American Cotton.")

USE OF THE GRADE STANDARDS IN SPOT TRADING.

Much of the controversy which arose between the Liverpool delegates and the representatives of the American trade revolved about the method of employing the standards in spot transactions. The confusion arose from the language of the United States cotton futures act, the third subdivision of section 5 of which reads as follows:

Third. Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the

Secretary of Agriculture, except grades prohibited from being delivered on a contract made under this section by the fifth subdivision of this section and no other grade or grades.

In delivery against future contracts, the Department of Agriculture has always construed this subdivision to mean that any bale of cotton equal, for example, to the lowest sample in the Middling box could be tendered and invoiced as Middling. Certain of the American exporters were of the opinion that, in the absence of a more specific description, spot sales might be made in the same manner. The Liverpool delegates, on their part, in every case made their proposals conditional upon the agreement of shippers to "take the average of the box," insisting at the same time that the Liverpool Cotton Association would so regulate deliveries against its own future contracts: The meaning which this phrase was intended to convey is that a spot delivery shall contain no more than a proportionate number (i. e., one-twelfth) of bales equal to the lowest sample in the box, and that the average grade of the lot should not be below the average of the box taken as a whole.

The question was referred to the department on July 18, and the following reply was made:

The United States cotton futures act specifies that cotton "of or within" a tenderable grade may be delivered on future contracts made subject to section 5 of the act. Without an amendment of the act by Congress, the department can make no agreement that the average of any box shall be required in deliveries on such future contracts in the United States. From a practical standpoint, each bale must be classed as a unit.

Subject to the general provisions of the United States cotton standards act, the department does not attempt to regulate or dictate the terms of spot contracts. Specifications or descriptions of grade are entirely matters of contract which should be arranged by the parties. The department points out, however, that the Liverpool Cotton Association has a right to stipulate in its various forms of contract that sales and shipments shall be made on the average of the box. The same privilege applies to spot contracts in the United States.

It is to the interest, therefore, of buyers and sellers alike in describing any cotton according to the universal or other official grade or color standards to specify in offers and acceptances "the average of the box," unless it is intended to use the box otherwise.

There is, however, nothing in the United States cotton standards act or in the regulations of the Secretary of Agriculture which prevents the more exact description of a lot of cotton by reference to a certain bale or bales in any box or by reference to the box as a whole with specified bales eliminated. The position of each bale is numbered as shown in the diagram in Figure 2.

1	2	3	4
5	6	7	8
9	10	11	12

FIG. 2.—Arrangement of samples in boxes of the standards.

Bales of similar color and preparation always occupy the same numerical position in all boxes of the same grade. In selecting



cotton to meet spinners' requirements, it is therefore not only permissible but also frequently advantageous to specify precise positions, as, e. g., "Middling equal to bales 4 and 12" or "Middling excluding bales 4 and 12."

**FORMAL ACTION OF THE EUROPEAN COTTON EXCHANGES IN ADOPTING UNIVERSAL STANDARDS—THE AGREEMENT WITH THE DEPARTMENT OF AGRICULTURE.**

The conferences of June 11-12 and July 17-19, 1923, eventuated in bringing the cotton trade of the world into a harmonious working relationship in conformity with the legal requirements of the United States cotton standards act. It remained only to crystallize the results of the discussions in a memorandum signed by the officials of each respective exchange abroad and by the Secretary of Agriculture. Such an instrument was drafted and submitted to all of the European organizations that had participated in the conferences either directly or indirectly. For this duty the secretary designated Lloyd S. Tenny, Assistant Chief of the Bureau of Agricultural Economics, and Arthur W. Palmer, representing the Cotton Division of the bureau. The text of the agreement follows:

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1923, by and between the UNITED STATES DEPARTMENT OF AGRICULTURE, hereinafter known as the Department, and the LIVERPOOL COTTON ASSOCIATION, LIMITED, the MANCHESTER COTTON ASSOCIATION, LIMITED, SYNDICAT DU COMMERCE DES COTONS DU HAVRE, BREMER BAUMWOLLBORSE, ASSOCIAZIONE COTONIERA ITALIANA, ASSOCIATION COTONNIERE DE BELGIQUE, CENTRO ALGODONERO DE BARCELONA, VEREENIGING VOOR DEN KATOENHANDEL TE ROTTERDAM, and the FEDERATION OF MASTER COTTON SPINNERS' ASSOCIATIONS, LIMITED, of ENGLAND, hereinafter known as the Associations,

WITNESSETH THAT whereas, on 12th June, 1923, the Department and Representatives of the American Cotton Industry proposed to Delegates representing the European Cotton Industry that in case the European Cotton Associations adopted the Official Cotton Standards of the United States, for grade and color, as Universal Standards, the Secretary of Agriculture would take such action as might be necessary under Section 4 of the United States Cotton Standards Act, to vest in the present and next succeeding (annually elected) Members of the Committees having final jurisdiction in the matter of Appeals of the Cotton Associations of Liverpool, Manchester, Havre and Bremen, authority to determine finally the true classification as to grade and color, in accordance with said Standards, of Cotton of American growth exported from the United States; and

Whereas, on 2nd July, 1923, the Liverpool Cotton Association, Limited, the Associazione Cotoniera Italiana, the Centro Algodonero de Barcelona, and the Vereeniging voor den Katoenhandel te Rotterdam, did adopt the Official Cotton Standards of the United States, for grade and color, as Universal Standards; and

Whereas, on 13th June, 1923, the Syndicat du Commerce des Cotons du Havre and the Association Cotonniere de Belgique did adopt the Official Cotton Standards of the United States, for grade and color, as Universal Standards; and

Whereas, on 22nd June, 1923, the Bremer Baumwollbörse did adopt the Official Cotton Standards of the United States, for grade and color, as Universal Standards; and

Whereas, on 2nd July, 1923, the Manchester Cotton Association, Limited, did adopt the Official Cotton Standards of the United States for grade and color as Universal Standards; and

Whereas, on 9th July, 1923, the Federation of Master Cotton Spinners' Associations, Limited, of England, did adopt the Official Cotton Standards of the United States, for grade and color, as Universal Standards;

Now, therefore, in consideration of the mutual advantages to be derived herefrom, the Department and the Associations do covenant and agree as follows:

(1) That for the purpose of facilitating and promoting foreign commerce, the Official Cotton Standards of the United States, for grade and color, may be known also as Universal Standards for American Cotton.



(2) The Associations agree to make the said Universal Standards the basis of all their contracts in which grades are specified for the purchase and sale of American Cotton.

(3) The Associations agree that the original Standards shall be kept by the Department at Washington and that no practical forms or copies of the Standards will be used, except those prepared by the Department.

The Department agrees that, during such time as this agreement shall remain in full force and effect, it will make no change or revision of the Standards for grade and color unless such change or revision has been considered in a Meeting which the respective Associations shall have been given full opportunity to attend. Whenever such Meeting shall be held, the voting power as represented by the total of one hundred (100) votes shall be distributed as follows: Fifty (50) votes to be cast by the representatives of the Associations according to such apportionment as they may themselves have agreed upon and fifty (50) votes to be cast by the United States. It is understood that, unless any Association gives written notice of the exact alterations it desires to have made, such Association may exercise its voting power only if it sends its own duly authorized representatives to vote at such Meeting and shall not be entitled to assign its proxy for voting to the representatives of any other Association.

Upon a written request for a change or revision of the Standards signed by an Association or group of Associations representing not less than fifteen (15) votes, the Department agrees that it will notify the other Associations of such a request and will call a meeting as nearly as possible thirty (30) days thereafter, of all the Associations to consider and decide upon the proposed changes or revisions. When any such change or revision shall have received the approval of not less than seventy-five (75) votes, the Department agrees that it will at once make such change or revision which shall be effective not less than twelve (12) months thereafter, and shall give notice at once of such change and its effective date to all the Associations which have adopted such Standards whether represented at such meeting or not.

(4) The Department re-affirms its agreement with exporters of the United States, dated 29th May, 1923, to the effect that it sees no objection, during the season ending 31st July, 1924, to American exporters defining in good faith the Standards now adopted as Universal Standards, in terms of their equivalents in Liverpool and other recognized Standards in force at the time of said agreement, and guaranteeing that shipments on the Universal Standards shall equal the specified foreign equivalents.

(5) The Department agrees to appoint, from time to time, the members of the committees of the respective Associations or Exchanges having final jurisdiction in the matter of appeals as Cotton Examiners, who may be constituted as Boards, according to the rules of each respective Association. Such Boards shall be authorized to determine by a comparison with the Universal Standards or with types or other samples the classification of any Cotton, involved in a dispute, which has been sold on a contract made subject to the articles, bye-laws and rules of the particular Association or Exchange by which the committee is elected or appointed, and to issue certificates showing such determinations. The Department will provide by regulation that such determinations shall be final and shall supersede, as to the parties to the dispute, any other certificate as to grade and color affecting such Cotton, issued by the Department of Agriculture under the Act and these regulations. When so provided in the articles, rules or bye-laws of the Association or Exchange, such determinations may be evidenced by awards but each Association agrees that if an award is made which does not state the classification, its committee will, upon request of the owner or custodian of the Cotton and the payment of a reasonable additional fee, issue a certificate showing in detail the true classification for grade and color of such Cotton based upon a comparison of samples of the Cotton with the Universal Standards or with a type or other samples on which the Cotton has been sold, as the case may be. The Boards so constituted may determine either or both the classification of Cotton and its value. With respect to the classification of Cotton, this agreement determines their powers. Money valuation, however, is a conclusion separate and apart from technical classification and with respect to money value the awards of the board of the Association under whose terms the contract is made is final so far as the Department is concerned.

Each Association agrees to furnish the Department a book containing its articles, bye-laws, rules and contracts, and to notify the Department at once

of any revisions or amendments of the same as soon as they are proposed, and when they have been acted upon. Each Association further agrees to furnish to the Department by cable the names of the members of its committee having final jurisdiction in the matter of appeals, and their business addresses, as soon as their election is announced, as provided in the bye-laws of the Association. Immediately thereafter the Department shall make temporary appointments of such Members of the Association, and shall notify the Association of its action at once by cable. Within a reasonable time thereafter the secretaries of the respective Associations shall furnish in writing on a form to be provided by the Department such information as may be necessary for the formal appointment by the Department of the members of such committees, on receipt of which the Department shall make such appointment for the period for which each such member has been elected or appointed, and shall notify the Members through the Secretaries of the Associations. Each Association agrees to notify the Department by cable of the death, resignation, suspension or removal of any member of such committee, and immediately upon the election of his successor, in accordance with the articles and bye-laws of the Association, the name of such successor. Thereafter the procedure of appointment by the Department shall be the same as that prescribed in the case of ordinary elections or appointments. Each respective Association agrees to pay any claims for compensation for services rendered, which may be made upon the Department by such examiners appointed by the Department from among its members.

(6) It is expressly understood that no agreement has been reached between the parties as to staple Standards or staple determinations.

(7) This Agreement shall continue in effect until terminated by the parties after due notice, as provided herein. Any party wishing to withdraw from the Agreement may do so on the first day of August of any year by giving six months' prior notice in writing to the other parties. Such withdrawal, however, shall terminate the contract only with respect to the party giving notice and shall in no way affect the agreement as to the remaining parties.

The Liverpool Cotton Association (Ltd.), was the first to take formal action. On August 8, 1923, in a meeting of the full board of directors, the agreement was signed and sealed on behalf of the association by Edward Porritt, president, A. Bryce Muir, vice president, and Augustus C. Nickson, secretary.

Similar action was taken on the following day by the Manchester Cotton Association (Ltd.), the signers being Jesse Thorpe, president, Richard Brooks, director, and H. Robinson, secretary.

The Bremer Baumwollbörse ratified the action of its representatives on August 16, 1923, when Dr. A. W. Cramer, president, affixed his signature for his association.

The Vereeniging voor den Katoenhandel te Rotterdam followed on August 17, 1923, C. Stahl, vice president, and J. J. H. Commijs, secretary, signing.

On August 21, 1923, in a meeting of the board of directors of the Syndicat du Commerce des Cotons au Havre, the document was signed by G. Hauser, president.

The Centro Algodonero de Barcelona subscribed on August 24, 1923, when R. J. Carles, vice president, and Sebastian Pujol, director, affixed their signatures.

On September 7, 1923, F. Holroyd, president, and John Pogson, secretary, signed for the Federation of Master Spinners' Associations (Ltd.).

On behalf of the Associazione Cotoniera Italiana at Milan, Giorgio Mylius, president, signed the agreement on November 12, 1923.

A visit was made to the Association Cotonniere de Belgique, at Ghent, on August 13. Owing to the absence of the president, Count



Jean de Hemptinne, the association expressed its wish to delay action until his return. Count Hemptinne later signed the agreement on November 22, 1923. The *Marché de Coton Belge*, of Ghent, also applied to the department representatives to be made a party, but owing to the fact that the documents signed by the other exchanges were identic in language and did not include the *Marché*, a separate agreement, for the sake of regularity, was drawn up and submitted to the secretary, Robert P. Pflieger.

The officers of the *Vereeniging of Rotterdam* and of the *Associazione Cotoniera Italiana*, in subscribing to the original agreement, did so with the reservation that they would apply for the same recognition of their arbitration as had been accorded to Liverpool, Manchester, Havre, and Bremen. These requests received most careful consideration at the hands of the Department of Agriculture, with the result that a subsequent convention was made with Rotterdam which in effect confers the arbitration authority until July 31, 1924. Such further action will then be taken as seems most appropriate. A similar arrangement was proposed to the *Associazione Cotoniera Italiana*, and is now being considered.

#### DISTRIBUTION OF THE STANDARDS.

Practical forms of the universal standards, effective August 1, 1924, and of the American Egyptian and sea-island standards, are sold and distributed at the uniform rate of \$5 a box. Applications must be made on forms furnished for the purpose by the Bureau of Agricultural Economics and accompanied by a check, draft or money order made payable to the "Disbursing Clerk, Department of Agriculture," for the full amount of the order. Blank application forms may be obtained from the bureau at Washington or from any of the following branch offices:

New York City, 1501 Cotton Exchange Building.

New Orleans, La., 701 Cotton Exchange Building.

Dallas, Tex., 101 Cotton Exchange Building.

Atlanta, Ga., 602 Commercial Exchange Building.

Memphis, Tenn., 68 South Front Street.

Charlotte, N. C., 21 East Fourth Street.

London, England, United States Agricultural Commissioner,  
American Embassy.

Berlin, Germany, United States Agricultural Commissioner,  
American Embassy.

All applications and remittances should be sent to the Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C., where they will be placed on file and filled in the order of their receipt. In view of the congestion of orders which inevitably occurs in the summer months, persons desiring to purchase full or fractional sets of the standards are urged to file their applications at as early a date as possible.

Shipments of the practical forms of standards are made at the expense and risk of the purchaser. In the United States they are sent by express, collect. Overseas shipments require prepayment of all water charges, and applications from abroad must be accompanied by an additional deposit sufficient to cover these expenses.



It is recommended, therefore, that purchasers in other countries arrange either with their correspondents in the United States or with an established forwarding agency with offices in this country to pay express charges from Washington to the desired port and to advance the necessary funds for ocean transportation.

A full set of the standards for the nine white grades securely crated for export shipment occupies  $15\frac{1}{2}$  cubic feet and weighs 175 pounds. The cost of expressage at \$1.94 a hundred pounds is \$3.40. Full sets of the 11 boxes of the standards for color similarly packed occupy  $19\frac{1}{4}$  cubic feet, weigh 200 pounds, and can be delivered in New York for \$3.88. If a forwarding agent is employed to attend to the transportation, the application should so state. Shipments by the Bureau of Agricultural Economics to the forwarding agent will be made collect, if desired, as in the case of purely domestic distribution.

Practical forms of the official cotton standards of the United States for length of staple are available in the following lengths:

Upland. Inches.	American	Egyptian. Inches.	Sea-island. Inches.
$\frac{3}{4}$	$1\frac{3}{16}$	$1\frac{1}{2}$	$1\frac{1}{2}$
$\frac{7}{8}$	$1\frac{1}{4}$	$1\frac{5}{8}$	$1\frac{5}{8}$
1	$1\frac{5}{16}$	$1\frac{3}{4}$	$1\frac{3}{4}$
$1\frac{1}{16}$	$1\frac{3}{8}$		
$1\frac{1}{8}$	$1\frac{1}{2}$		

They are sold at \$1 each under similar conditions to those governing the sale of grade standards. The shipping weight of the staple standards is approximately  $1\frac{1}{4}$  pounds each.

## APPENDIX.

### UNITED STATES COTTON STANDARDS ACT.

[Approved March 4, 1923, 42 Statutes at Large, page 1517.]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act shall be known by the short title of "United States Cotton Standards Act."

SEC. 2. That it shall be unlawful (a) in or in connection with any transaction or shipment in commerce made after this Act shall become effective, or (b) in any publication of a price or quotation determined in or in connection with any transaction or shipment in commerce after this Act shall become effective, or (c) in any classification for the purposes of or in connection with a transaction or shipment in commerce after this Act shall become effective, for any person to indicate for any cotton a grade or other class which is of or within the official cotton standards of the United States then in effect under this Act by a name, description, or designation, or any system of names, description, or designation not used in said standards: *Provided*, That nothing herein shall prevent a transaction otherwise lawful by actual sample or on the basis of a private type which is used in good faith and not in evasion of or substitution for said standards.

SEC. 3. That the Secretary of Agriculture may, upon presentation of satisfactory evidence of competency, issue to any person a license to grade or otherwise classify cotton and to certificate the grade or other class thereof in accordance with the official cotton standards of the United States. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after reasonable opportunity afforded to the licensee for a hearing, that such licensee is incompetent or has knowingly or carelessly classified cotton improperly, or has violated any provision of this Act or the regulations thereunder so far as the same may relate to him, or has used his license or allowed it to be used for any improper purpose. Pending investigation the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without a hearing.

SEC. 4. That any person who has custody of or a financial interest in any cotton may submit the same or samples thereof, drawn in accordance with the regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture, as may be designated for the purpose pursuant to the regulations of the Secretary of Agriculture for a determination of the true classification of such cotton or samples, including the comparison thereof, if requested, with types or other samples submitted for the purpose. The final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true classification or comparison of such cotton or samples when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall fix rules and regulations for submitting samples of cotton for classification providing that all samples shall be numbered so that no one interested in the transaction involved shall be known by any classifier engaged in the classification of such cotton samples.

SEC. 5. That the Secretary of Agriculture may cause to be collected such charges as he may find to be reasonable for licenses issued to classifiers of cotton under section 3 and for determinations made under section 4 of this Act, and the amounts so collected shall be used by the Secretary of Agriculture in paying expenses of the Department of Agriculture connected therewith.

SEC. 6. That the Secretary of Agriculture is authorized to establish from time to time standards for the classification of cotton by which its quality or value may be judged or determined for commercial purposes, which shall be known as the official cotton standards of the United States. Any such standard or change or replacement thereof shall become effective only on and after a

date specified in the order of the Secretary of Agriculture establishing the same, which date shall be not less than one year after the date of such order: *Provided*, That the official cotton standards established, effective August 1, 1923, under the United States Cotton Futures Act shall be at the same time the official cotton standards for the purpose of this Act unless and until changed or replaced under this Act. Whenever any standard or change or replacement thereof shall become effective under this Act, it shall also, when so specified in the order of the Secretary of Agriculture, become effective for the purposes of the United States Cotton Futures Act and supersede any inconsistent standard established under said Act. Whenever the official cotton standards of the United States established under this Act shall be represented by practical forms the Department of Agriculture shall furnish copies thereof, upon request, to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request. The Secretary of Agriculture may cause such copies to be certified under the seal of the Department of Agriculture and may attach such conditions to the purchase and use thereof, including provision for the inspection, condemnation, and exchange thereof by duly authorized representatives of the Department of Agriculture, as he may find to be necessary to the proper application of the official cotton standards of the United States. Any moneys received from or in connection with the sale of cotton purchased for the preparation of such copies and condemned as unsuitable for such use or with the sale of such copies may be expended for the purchase of other cotton for such use.

SEC. 7. That in order to carry out the provisions of this Act, the Secretary of Agriculture is authorized to cause the inspection, including the sampling, of any cotton involved in any transaction or shipment in commerce, wherever such cotton may be found, or of any cotton with respect to which a determination of the true classification is requested under section 4 of this Act.

SEC. 8. That it shall be unlawful for any person (a) with intent to deceive or defraud, to make, receive, use, or have in his possession any simulate or counterfeit practical form or copy of any standard or part thereof established under this Act; or (b) without the written authority of the Secretary of Agriculture, to make, alter, tamper with, or in any respect change any practical form or copy of any standard established under this Act; or (c) to display or use any such practical form or copy after the Secretary of Agriculture shall have caused it to be condemned.

SEC. 9. That (a) any person who shall knowingly violate any provision of sections 2 or 3 of this Act, or (b) any person licensed under this Act who, for the purposes of or in connection with any transaction or shipment in commerce, shall knowingly classify cotton improperly, or shall knowingly falsify or forge any certificate of classification, or shall accept money or other consideration, either directly or indirectly, for any neglect or improper performance of duty as such licensee, or (c) any person who shall knowingly influence improperly or attempt to influence improperly any person licensed under this Act in the performance of his duties as such licensee relating to any transaction or shipment in commerce, or (d) any person who shall forcibly assault, resist, impede, or interfere with or influence improperly or attempt to influence improperly any person employed under this Act in the performance of his duties, shall, upon conviction thereof, be deemed guilty of a misdemeanor and shall be fined not exceeding \$1,000, or imprisoned not exceeding six months, or both, in the discretion of the court.

SEC. 10. That for the purposes of this Act the Secretary of Agriculture shall cause to be promulgated such regulations, may cause such investigations, tests, demonstrations, and publications to be made, including the investigation and determination of some practical method whereby repeated and unnecessary sampling and classification of cotton may be avoided, and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person, as he shall find to be necessary.

SEC. 11. That wherever used in this Act, (a) the word "person" imports the plural or the singular, as the case demands, and includes an individual, a partnership, a corporation, or two or more persons having a joint or common interest; (b) the word "commerce" means commerce between any State or the District of Columbia and any place outside thereof, or between points within the same State or the District of Columbia but through any place outside thereof, or within the District of Columbia; and (c) the word "cotton" means cotton of any variety produced within the continental United States,



including linters. When construing and enforcing the provisions of this Act, the act, omission, or failure of any agent, officer, or other person acting for or employed by any person, within the scope of his employment or office, shall in every case be deemed also the act, omission, or failure of such person as well as that of such agent, officer, or other person.

SEC. 12. That there are hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for carrying out the provisions of this Act; and the Secretary of Agriculture is authorized, within the limits of such appropriations, to appoint, remove, and fix the compensations of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this Act in the District of Columbia and elsewhere.

SEC. 13. That if any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 14. That this Act shall become effective on and after August 1, 1923.

Approved, March 4, 1923.